

Message Text

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PAGE 01 LA PAZ 03201 081754Z

43

ACTION ARA-10

INFO OCT-01 ISO-00 ARAE-00 SSO-00 NSCE-00 USIE-00 INRE-00

ERDA-05 AID-05 CEA-01 CIAE-00 CIEP-01 COME-00 DODE-00

EB-07 FEAE-00 FPC-01 H-02 INR-07 INT-05 L-02 NSAE-00

NSC-05 OMB-01 PM-03 SAM-01 OES-03 SP-02 SS-15 STR-04

TRSE-00 FRB-03 /084 W

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O 081700Z MAY 75

FM AMEMBASSY LA PAZ

TO SECSTATE WASHDC IMMEDIATE 6583

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E.O. 11652: N/A

TAGS: PFOR ENRG EIND EFIN BL

SUBJ: GULF BRIBERY CHARGES: PRESIDENT BANZER CONVERSATION
WITH AMBASSADOR

REF: A. LA PAZ 3191

B. LA PAZ 3192

1. PRESIDENT BANZER CALLED ME TO HIS OFFICE AT 11:30 MAY 8 AND
REVIEWED ALLEGED BRIBERY CHARGED BY GULF OIL COMPANY OF
BOLIVIAN OFFICIALS. HE STRESSED THE POTENTIAL DAMAGE TO
BOLIVIA'S IMAGE ARISING FROM ALLEGATIONS WHICH ARE NOW SIDELY
CIRCULATING IN THE BOLIVIAN AND FOREIGN PRESS. IN VIEW OF
THIS ADVERSE REACTION TO CHARGES, WHETHER TRUE OR FALSE, HE
WISHED TO INFORM ME PERSONALLY OF THE MEASURES THAT THE GOVERN-
MENT HAD TAKEN FOLLOWING A CABINET MEETING IN THE EARLY EVENING
OF MAY 7. BASICALLY THE INFORMATION HE PROVIDED ME CORRESPONDS
WITH THAT WHICH EMERGED IN THIS MORNING'S PRESS, WHICH
HAS BEEN REPORTED BY LA PAZ 3191. HE INQUIRED WHETHER I HAD
RECEIVED THE NOTE FROM FOREIGN OFFICE WHICH I SAID I HAD
JUST BEEN HANDED UPON MY ENTRY INTO THE PALACE. (TEXT WILL
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PAGE 02 LA PAZ 03201 081754Z

BE TRANSMITTED BY SEPTTEL.) PRESIDENT BANZER ASKED FOR MY

COOPERATION AND THAT OF THE EXECUTIVE BRANCH OF THE USG IN BRINGING IMMEDIATELY TO LIGHT THROUGH ALL APPROPRIATE INVESTIGATORY MEANS THE FACTS OF GULF'S INVOLVEMENT IN LATIN AMERICA, WITH THE AIM OF CLARIFYING THE SITUATION. HE SAID THAT HE IS CONVINCED THAT HIS REGIME IS ABSOLUTELY CLEAN AS FAR AS ANY BRIBARY CHARGES ARE CONCERNED. IF INFORMATION IS DEVELOPED ABOUT ANY BOLIVIAN OFFICIAL, HE SAID HE WOULD APPLY THE FULL FORCE OF BOLIVIAN LAW. HE IS AWARE THAT GULF OPERATES IN OTHER LATIN AMERICAN COUNTRIES BUT IS CONCERNED THAT THE CONCLUSION HAS BEEN DRAWN FOLLOWING REPORTED DENIALS BY GULF THAT THEY MADE PAYMENTS IN VENEZUELA AND ECUADOR, THAT BOLIVIA IS THE IMPLICATED COUNTRY.

2. PRESIDENT BANZER INFORMED ME THAT INSTRUCTIONS HAVE BEEN SENT TO AMBASSADOR CAPRILES IN WASHINGTON TO PRESENT A NOTE SUPPORTING THE GOB REQUEST FOR AN INVESTIGATION. HE INFORMED ME THAT GULF REPRESENTATIVE IN LA PAZ HAD BEEN HANDED THIS MORNING A NOTE CALLING ON GULF TO RESPOND WITHIN 48 HOURS PROVIDING DETAILS OR DENYING BOLIVIAN INVOLVEMENT IN ANY EXTORTION.

3. PRESIDENT BANZER IS AWARE THAT THE ALLEGATIONS ABOUT BOLIVIAN OFFICIALS BEING BRIBED BY GULF MAY HAVE THEIR ORIGIN IN THE EXILE COMMUNITY IN CARACAS. HE IS AWARE THAT NO FACTUAL EVIDENCE HAS BEEN PUT FORWARD TO DATE INVOLVING BOLIVIA. BUT HE IS ANXIOUS TO HAVE ON THE RECORD IN PUBLIC OFFICIAL CLARIFICATION OF THIS MATTER. PRESIDENT BANZER ASKED ME TO STATE IN ANY MESSAGE ON THIS SUBJECT TO WASHINGTON THAT HIS ACTIONS ARE DIRECTED AT POSSIBLE COMPANY ACTIVITY AND HAVE ABSOLUTELY NOTHING TO DO WITH BILATERAL RELATIONS WHICH HE CHARACTERIZED AS EXCELLENT.

4. I THEREFORE RECOMMEND THAT THE DEPARTMENT CONSIDER THE FOLLOWING ACTIONS:

A. TO HAVE THE DEPARTMENT PRESS SPOKESMAN INDICATE THAT THE USG HAS RECEIVED A REQUEST FROM PRESIDENT BANZER FOR AN INVESTIGATION TO CLARIFY THE ALLEGED BRIBERY CHARGES AND THAT THE USG WILL MOVE FORWARD THROUGH THE SEC AND WILL ENCOURAGE CONGRESSIONAL COMMITTEES INVOLVED
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PAGE 03 LA PAZ 03201 081754Z

TO MEET PRESIDENT BANZER'S REQUEST.

B. THAT A SENIOR LEVEL OFFICIAL OF THE DEPT. URGE THE PRESIDENT OF GULF OIL TO PROMPTLY RESPOND TO THE BOLIVIAN REQUEST FOR DENIAL OR FOR REVELATION OF FACTS.
STEDMAN

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Draft Date: 08 MAY 1975
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Disposition Event:
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Margaret P. Grafeld
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